



State of North Carolina
CDBG-DR
Financial Management & Procurement
Standard Operating Procedures

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Department of Commerce
Rural Economic Development Division
Administering Agency

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Regulatory/Statutory Citations: 2 CFR Part 200: Subparts D, E, and F; 2 CFR Part 2400; 24 CFR 570, 24 CFR 91; Alternate Requirements and Waivers for CDBG-DR (P.L. 113-2): FR-5989-N-01 (prior notice), FR-6012-N-01, and FR-6039-N-01

1 Introduction

Financial management is the process of protecting and using federal funds effectively, efficiently, and transparently. The North Carolina Department of Commerce, Rural Economic Development Division, grantee (herein referred to as the grantee)); the North Carolina Department of Public Safety, Division of Emergency Management, subgrantee (herein referred to as the subgrantee; and Units of General Local Governments, subrecipients (herein referred to subrecipients) are required to have financial management systems that support the preparation of all required financial and management reporting and allow for tracing funds to a level of expenditure to establish that such funds have been used according to the federal statutes, regulations, and the terms and conditions of the federal award.

The standards for the required components of financial management are at 2 CFR Part 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. These regulations provide uniform guidance for all federal award sources and were adopted by HUD at 2 CFR Part 2400. They were made effective December 26, 2014 and supersede the administrative requirements of 24 CFR Parts 84 and 85 and following 2 CFR 200.

2 Organizational Structure:

The CDBG Program Director of the DOC, REDD delegates the administration of the financial and administrative policies to the Business Officer. A Chart of Organization is maintained by the DOC/REDD Business Officer and periodically reviewed and up-dated. See **Exhibit 1-1** for the Organizational Structure of DOC/REDD.

Roles and Responsibilities: Current job descriptions indicating roles and responsibilities are detailed in the **Exhibit 1-2** section of this document.

3 Policy: Financial Management Systems

Regulatory/Statutory Citations: 2 CFR 200.302

The financial management system of each non-federal entity must provide:

- Identification, in its accounts, of all federal awards received and expended and the federal programs under which they were received. Federal program and federal award identification must include, as applicable, the Catalog of Federal Domestic Assistance (CFDA) title and number, federal award identification number and year, and name of the federal agency, and sub-recipient accounts must also include the name of the State in their accounts.
- Accurate, current, and complete disclosure of the financial results of each federal award or program in accordance with the reporting requirements of the award.
- Records that identify adequately the source and application of funds. Records must contain information pertaining to federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income, and interest and be supported by source documentation.
- Internal controls, meaning effective control over, and accountability for, all funds, property, and other assets. The State must adequately safeguard all assets and ensure they are used solely for authorized purposes.

- Comparison of expenditures with budget amounts for each federal award.
- Written procedures to implement the requirements for minimizing the time elapsed between receipt of federal funds and disbursement.
- Written procedures for determining the allowable costs in accordance with 2 CFR 200.400-475 (Uniform Requirements: Subpart E—Cost Principles) and the terms and conditions of the federal award.

4 State's Accounting System and Records

The State's accounting system (*North Carolina Accounting System*) NCAS- allows for the segregation of grant revenues and expenses by source and year. The Department of Commerce, Fiscal Office establishes a fund and center structure for each grant allocation.

4.1 Reconciliation of State Funds with Federal System

After the approval of the Action Plan by HUD and the allocation is the budget is set up in the DRGR system by DOC Business Officer. Internal, State and DRGR systems are set up to mirror each other. Quality Assurance and reconciliation of these systems internally is completed by the Accounting Clerk II position. As part of the reconciliation of these systems there should be a separate DRGR (Disaster Recovery Grant Voucher file folder for each reimbursement contained in the CDBG-DR Project Invoice File. After reconciliation is completed, approval is given by the DOC Business Officer and information is file appropriately for recordkeeping.

5 Policy: Subrecipient Management

5.1 Compliance with Policy

Subrecipients are required to comply with the standards for Financial Management Systems and Internal Controls as defined in this policy. Subrecipient grant agreements must include a requirement to comply with the terms of 2 CFR Part 200.

Written procedures for determining the allowable costs in accordance with 2 CFR 200.400-475 (Uniform Requirements: Subpart E—Cost Principles) and the terms and conditions of the federal award.

5.2 Audit Requirements for Non-Federal Entity

The audit requirements for a non-federal entity that expends \$750,000 or more during the non-federal entity's fiscal year in Federal awards must have a single audit conducted for that year in accordance with 2CFR 200.500. This type of audit, which includes a full set of financial statements and other detail information, is often referred to the single audit. If less than \$750,000 in total federal funds is expended in an entity's fiscal year, a single audit is not required, but the grantee, and subgrantee will follow the state requirements.

The portion of the total single audit cost which can be charged to the CDBG-DR program may be determined by multiplying the total single audit costs times a fraction, the numerator of which is the CDBG-DR program expenditures for the period, and the denominator is the government entity's expenditures for the period, including the CDBG-DR program expenditures. A calculation of the allowable portion of the single audit cost should be included in the supporting documentation presented with the request for payment.

Under the latest revisions to 2 CFR 200.500, if appropriate documentation of the single audit costs provides a higher amount than the formula, the higher single audit costs may be charged to the program. Supporting documentation should be available for review by the grantee or subgrantee.

Subrecipient financial management systems and internal controls will be assessed by the grantee prior to the execution of a grant agreement.

Sub-grantees and subrecipients will be required to complete a Financial Management Questionnaire. The grantee will review the completed questionnaire and other information to determine if the sub-grantee has sufficient financial management systems and internal controls prior to the award of the grant. Alternatively, the subgrantee is required to follow the same process prior to the award of a grant with their subrecipients.

5.2.1 Bonding and Insurance Requirements

Where the bonding and insurance requirements are not deemed adequate to protect the interest of the CDBG program, the grantee requires that the subgrantee obtain adequate bonding and insurance from subrecipient's and contractors. When bonds are required, the bonds must be obtained from companies holding certificates of authority as acceptable sureties, as prescribed in 31 CFR Part 223.

A hard copy of the subrecipient's bonding certificate or fidelity policy and proof of payment or renewal will be required by DOC. This will be reviewed and maintained in the system of record. In the procurement of services, it is restrictive of competitive proposals to require excessive bonding (2 CFR 200.319). Subrecipient are required to have a copy of any agency bonding certificates and fidelity policies for any agency in which the subrecipient is making payments to.

5.2.2 Approval of Subrecipient Grant Agreement

After approval, the grant agreement with the sub-recipient may be signed. The subgrantee shall submit a copy of their executed grant agreement to DOC. All signed grant agreements and contracts are required to be posted on the NC Rebuild Website, NC Department of Commerce, Rural Development website within 15 days of approval.

The grantee and/or subgrantee will provide the subrecipient signature cards to obtain authorized signatures for Requests for Payments. The grantee or subgrantee will review each Request for Payment to ensure that only authorized signatures are used for payment requests from sub-recipients. In addition to the signature cards, the grantee and or subgrantee will provide the subrecipient/subgrantee with a reimbursement checklist form and a Vendor Electronic Payment Form, both to be completed and returned to the subgrantee. The subgrantee will provide to the grantee a completed Reimbursement Checklist.

5.2.3 Subrecipient Monitoring

The subgrantee is required to develop a monitoring plan which fully describes how monitoring will be conducted. The subgrantee will perform financial and program compliance monitoring of each subrecipient at least once per 12-month period or as determined by the subgrantee's risk-based monitoring plan. The grantee will perform financial and program compliance monitoring of the subgrantee and subrecipients as determined by grantee's Risk-Based Monitoring Plan.

NCEM will also monitor the recipient to determine compliance with the financial management requirements outlined in the Financial Section of the Administrative Manual. The review will determine

if records are maintained in compliance with 2 CFR 200 Parts A-E including the Adoption of a Budget or Project Ordinance by the County Board of Commissioners, prior to the expenditure of any released CDBG-DR Funds for expenditure. This monitoring is performed through desktop audit and at each on-site visit. Typically, ledgers, invoices, canceled checks, bank statements and requisitions are reviewed to see that the recipient has an adequate system of financial management. NCEM staff may also make specific requests to review information or documentation relating to financial management of a grant or from observations within the Salesforce system.

Attachments to the Financial Management Form: The GMR will attach:

- The GMS Grant Expenditure Details Report.
- Documentation of any instances of unnecessary, unreasonable, or unallowable costs, if any.

6 Revision of Budget and Program Plans

Regulatory/Statutory Citations: 2 CFR 91.505, 200.308, FR5989-N-01 (prior notice), FR-6012-N-01, FR-6039-N-01.

6.1 Policy for CDBG-DR Substantial Amendments

As stated in the Action Plan a substantial amendment is required when there is a change in program benefit or eligibility criteria, the addition or deletion of an activity or allocation or reallocation of \$5 million within the approved Action Plan activity allocations. Before the grantee adopts the action plan for this grant or any substantial amendment to the action plan, the grantee will publish the proposed plan or amendment.

The topic of disaster recovery should be navigable by citizens from the grantee (or relevant agency) homepage. Grantees are also encouraged to notify affected citizens through electronic mailings, press releases, statements by public officials, media advertisements, public service announcements, and/or contacts with neighborhood organizations.

The manner of publication must include prominent posting on the grantee's official website and must afford citizens, affected local governments, and other interested parties a reasonable opportunity to examine the plan or amendment's contents. The grantee must provide a reasonable time frame (**no less than 14 days**) and method(s) (including electronic submission) for receiving comments on the plan or substantial amendment (**FR5989-N-01**). The publication must be in compliance with language access requirements and any requirements as set forth in the approved Citizen Participation Plan.

Overview of Substantial Amendment Procedures for CDBG-DR	
Responsible Party	Task
CDBG Director	Determine whether a substantial amendment is required
Contract Staff	Prepare Amendment
CDBG Director	Review and approve amendment
CDBG Director	Publish Amendment (14-day comment period)
Contract Staff	Include comments and responses to Amendment
CDBG Director/DR Staff	Final State Approval

CDBG Director	Submission to HUD
CDBG Director Designee* *subrecipient will designate internal staff to upload to appropriate websites.	Once approved by HUD post to DOC website and to required subrecipient(s) websites

6.2 CDBG-DR Non- Substantial Amendment Procedures

The CDBG Director will review the proposed change(s) to the Action Plan to determine if the change constitutes a non-substantial amendment. Proposed changes will be reviewed within seven business days of receipt of the request for the determination of non-substantial amendment. If the change requires a non-substantial amendment, the grantee will submit the non-substantial Amendment to HUD. After five days, the CDBG-Business Officer submits the budget change to the CDBG Director for approval;

After HUD approval, the subgrantee posts the Non-Substantial Amendment to the transparency website. The subgrantee shall send program budget revisions to grantee in order for grantee to make those changes to the State's accounting system as well as DRGR. A statement of why the change is necessary shall be submitted with the request for a budget revision. The subgrantee shall approve all local budget revisions and program changes. These approved budget revisions shall be sent to the grantee for accurate tracking of CDBG-DR funds.

Budget revisions that will affect any local government, prior to any budget revision being approved, DOC will require written authorization from the local government certifying official that the local government approves proposed budget revision changes.

6.3 Return of Excess Grant Funds

Grant funds are only to be provided on an as needed basis. In the event that grant funds received exceed grant costs, the grantee or NCEM direct sub-recipient will be notified by the NCEM to send a check for the amount of excess grant funds received. Any funds in excess of those allowed by the NCEM will also have to be returned. Excess funds that have been allocated for outstanding expenditures are not required to be returned.

If unsettled third party claims were included, upon resolution of these claims, the grantee or NCEM direct sub-recipient must submit a revised Certificate of Completion for the NCEM review before the activity can receive a final close-out.

7 Internal Controls

Regulatory/Statutory Citations: 2 CFR 200.303

The grantee, subgrantee, and its Subrecipients are required to establish internal controls over CDBG-DR funds that provide reasonable assurance that funds are being managed in compliance with federal statutes, regulations, and the terms and conditions of the HUD award.

The controls should be compliant with guidance in "Standards for Internal Control in the Federal Government," issued by the Comptroller General of the United States, or the "Internal Control Integrated Framework," issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The grantee must monitor its own operations and subrecipient's for compliance with statutes, regulations, and the terms and conditions of the federal award and grant agreements, and to take prompt action when instances of non-compliance are identified by monitoring activities or in audits. Also, subrecipients are to monitor their own operations for compliance.

Finally, reasonable measures must be taken to safeguard **personally identifiable information** and information deemed sensitive. Subrecipients are required to ensure that they have appropriate standard operating procedures in place to ensure the safekeeping of personally identifiable information.

The basic controls over authorization, recording, safeguarding/security, and verification over transactions and assets should continuously be assessed and enhanced. The procedures and processes in this section of this document are designed to adhere to those basic standards.

7.1 Application

Internal controls are designed to minimize the misuse of funds and poor recordkeeping, and to maximize the likelihood of detecting problems if they occur. Internal controls require that multiple people with different roles review each and every financial transaction. In this way, internal controls make sure that funds are being used appropriately. At the most basic level they include:

- Organizational charts
- Written definitions of duties and staff qualifications
- Documented policies and procedures
- A formal system of authorization and supervision
- Segregation of duties
- A secure records system
- Control over access to assets and sensitive information
- Documented accounting procedures for approving and recording transactions
- Comparison of actual assets and liabilities to financial records for completeness and accuracy
- Monitoring and oversight

Effective internal controls always crosscheck one another to make sure that budgets, costs, records, and reports all match up.

8 Cash Management (Payments)

Regulatory/Statutory Citations: 2 CFR 200.305

Cash management policies and procedures must minimize the time elapsing between receipt of funds from the U.S. Treasury and disbursement of those funds.

8.1 Procedures to Determine Timely Expenditure

Congress has set a six-year expenditure period on funds allocated through PL 114-245. 82 FR 5591, "Allocations, Common Application, Waivers and Alternative Requirements for Community Development Block Grant Disaster Recovery Grantees" States that: "Each grantee must expend 100% of its allocation of CDBG-DR funds within 6 years of HUD's execution of the Grant Agreement." As a grantee to funds allocated by PL 114-245, and given the rules Stated by the Federal Register Notice, the State of North Carolina has developed these procedures to ensure timely expenditure of funds.

The State of North Carolina has divided management roles between the Department of Commerce (DOC) and the North Carolina Department of Emergency Management (NCEM). DOC will have the responsibility to review expenditures and draw down funds within HUD's Disaster Recovery Grant Reporting (DRGR) system. NCEM will be the agency approving expenditures from any of its own vendors and contractors as well as reviewing expenditures submitted by all program partners and sub-recipients. Given this division of responsibilities, both agencies will work collaboratively to ensure that all funds are expended and drawn down by the six-year deadline.

8.2 Cash Management Policy

The grantee will minimize the time elapsing between receipt of funds from the U.S. Treasury and disbursement of those funds and require that sub-recipients commit to doing the same.

Grantee will submit drawdown requests and process sub-recipient payment requests from CDBG-DR funds.

8.3 Advance Payments

Advance Payments will be limited to immediate needs and timed as closely as possible to disbursement. The general U.S. Treasury guideline requires funds be disbursed immediately upon receipt and approval of request. Advance payments for the CBDG-DR program will be based on immediate need and actual expenditures substantiating the request.

The grantee will monitor internal compliance and document material instances or recurring instances in which the time elapsing is greater than three days and review procedures for drawing down funds.

Sub-recipient grant agreements must include:

- A requirement for sub-recipient written procedures to minimize time elapsing between receipt of funds and disbursement;
- A requirement for sub-recipient to return funds received in error or that will not be used in a timely manner due to a change in circumstances;
- Sub-recipient grant agreements will include the banking provisions contained herein.
- A requirement for compliance monitoring and conducting required risk assessments.
- All subrecipient agreements must be in compliance as set forth in the federal regulations.

8.4 Drawdowns

The grantee may drawdown funds using these methods if program activity needs justification.

8.4.1 Funding Escrow Account for Housing Activities

This will require approval of a funded housing activity following the subgrantee procedures and all applicable restrictions will apply. **Subrecipients will be required to follow the Escrow Policy and ensure that all standard operating procedures are followed.** When a subrecipient is drawing down funds for housing activities, the subrecipient is required to draw any applicable escrow funds first prior to drawing down CDBG-DR funds for that activity. Please see the **Exhibit 1-7** Housing Escrow Chain of Custody form..

8.5 Interagency Coordination and Reallocation of Funds

DOC and NCEM will meet regularly to discuss expenditures and drawdown. DOC will provide reporting regarding drawdown progress and NCEM will provide reporting regarding expenditure progress. These

meetings will be used to strategize around the six-year expenditure deadline. During these meetings, both groups will identify programs or projects that may not meet the expenditure deadline and recommendations regarding these activities that may be stalled. The State will review these recommendations as well as reassess any potential remaining unmet needs. The State will then begin the process to re-program funds to other activities.

8.6 Program Income for Drawdown for Expenses Already Paid

Recovery of funds including program income, refunds, and rebates shall be returned to the grantee. These amounts will be recorded and tracked with all program income.

Federally insured depositories will be used for the deposit of CDBG-DR funds.

Amounts earned up to \$500.00 per year will may be retained and are not program income, **however**; the subrecipient/subgrantee are required to report to both NCEM and DOC the amount of program income received regardless of the amount received. They may be used for administrative costs and will not affect the program administrative limits.

Amounts in excess of \$500.00 earned in one year will be remitted to DRGR using instructions in 2 CFR Part 200.305.

Program income will be tracked in DRGR as earned and received and will be reported to HUD on a quarterly basis.

8.7 Program Income

Regulatory/Statutory Citations: 2 CFR 570.500, 570.504; Waivers/alternate requirements: FR5989-N-01 (prior notice), FR-6012-N-01, and FR-6039-N-01.

8.8 Overview

Generally, program income is gross income received by the State and its subrecipients that is directly generated by a CDBG-DR funded activity, with some exclusions.

Any amounts received shall be returned to the grantee. All program revolving income, regardless of amount and resource, is considered program income, and all program income must be carefully tracked and returned to the grantee.

8.9 Policy: Program Income

Program income generated by subgrantee or Sub-recipient activities and activities directly managed by the subgrantee or subrecipient will be returned to the grantee and reprogrammed for re-use according to the current method of distribution per the CDBG-DR Action Plan.

All program income must be returned to the State unless the sub-recipient has obtained written approval from the State to engage in additional eligible projects. Sub-recipients who retain program income after closeout must follow the appropriate HUD regulation.

- The grantee will retain five percent (5%) for Administrative Costs.
- The grantee will record the amount withheld for Administrative Costs against the Administrative Costs activities in DRGR.
- All subrecipient grant agreements will specify that program income is to be returned to the grantee.

- Subgrantees must report amounts received monthly to the grantee.
- All program income amounts must be recorded and tracked against the activity which generated the income.
- The grantee will record amounts in the appropriate Special Revenue Fund Accounts in the Program Income accounts.
- The grantee must enter the amounts reported by the subgrantee from Subrecipients and the amounts received by the subgrantee generated by activities directly managed by the subgrantee or subrecipient.
- CDBG-DR amounts will be entered in DRGR, and offsets must occur outside of DRGR before the drawdown takes place. At the end of the CDBG-DR program year, all amounts generated by CDBG-DR will be aggregated.
- Amounts received will be used to offset drawdowns against the activity that generated the income. However, these offsets cannot be held in abeyance until they can be applied against another draw on the associated activity. Offsets must be taken against any claim for funds, and the associated entries must reflect this fact. CDBG-DR amounts will be entered in DRGR.
- Appropriate adjustments will be made to the Administrative Costs budgets as deemed appropriate.

8.10 Program Income Defined

Program income includes:

- Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG-DR funds
- Proceeds from the disposition of equipment purchased with CDBG-DR funds
- Gross income from the use or rental of real or personal property acquired by the State or a sub-recipient with CDBG-DR funds, less the costs incidental to the generation of the income
- Gross income from the use or rental of real property owned by the State or a sub-recipient that was constructed or improved with CDBG-DR funds, less the costs incidental to the generation of the income of principal and interest on loans made using CDBG-DR funds
- Proceeds from the sale of loans made with CDBG-DR funds
- Proceeds from the sale of obligations secured by loans made with CDBG-DR fund
- Interest earned on funds held in a revolving fund account
- Interest earned on program income pending disposition of the income
- Funds collected through special assessments made against properties owned and occupied by households not of low and moderate income, where the special assessments are used to recover all or part of the CDBG portion of a public improvement
- Gross income paid to the grantee or a sub-recipient from the ownership interest in a for-profit entity acquired in return for the provision of CDBG-DR assistance

8.11 Program Income Exclusions

Program Income does not include:

- Interest earned on CDBG-DR deposit accounts for advance payment drawdowns, which is miscellaneous income
- Income earned from the investment of initial proceeds of a grant advance from the U.S. Treasury; interest earned on loans or other forms of assistance with CDBG-DR funds that are used for activities that are determined by HUD to be ineligible; and interest earned on the investment of amounts reimbursed to the program account prior to the use of the reimbursed funds for eligible activities
- Income generated by certain Section 108 activities (reference 24 CFR 570.500 (a)(4)(ii))
- Proceeds from sub-recipient fundraising activities
- Funds collected through special assessments to recover non-CDBG-DR outlays of public improvements
- Proceeds from the disposition of real property by the State or a subrecipient that was acquired or improved in whole or in part with CDBG-DR funds when the disposition occurs after the time period specified, generally five years after expiration of the sub-recipient agreement 24 CFR 570.503(b)(7)(i) or (ii) or if owned by the State 24 CFR 570.505

9 Pre-Award Costs

Regulatory/Statutory Citations: 2 CFR 200.309; Alternate Requirements and Waivers: FR5989-N-01 (prior notice), FR-6012-N-01, FR-6039-N-01, and HUD Notice CPD-15-07

Generally, only allowable costs incurred during the period of performance are to be charged to a federal award. Circumstances under which reimbursement of costs incurred prior to the effective date of the grant agreement with HUD may be charged to the award are detailed below.

9.1 Pre-Award Policy for CDBG-DR

Regulatory/Statutory Citations: 2 CFR 570.200(h), 570.489(b); FR5989-N-01 (prior notice), FR-6012-N-01, FR-6039-N-01, and HUD Notice CPD-15-07

CDBG-DR pre-award costs incurred by the State and its subrecipients are eligible for reimbursement to the extent they would have been allowable after the award, subject to applicable regulations and the CDBG-DR Pre Award Eligibility Policy.

9.2 CDBG-DR Pre-Award Policy

Regulatory/Statutory Citations: 2 CFR 570.200(h), 570.489(b); FR5989-N-01 (prior notice), FR-6012-N-01, FR-6039-N-01, and HUD Notice CPD-15-07

CDBG-DR pre-award costs incurred by the State and its subrecipient are eligible for reimbursement to the extent they would have been allowable after the award, subject to:

- Inclusion in the action plan;\
- Compliance with environmental review requirements
- The activity for which payment is being made must comply with all other applicable statutory and regulatory provisions, including qualification as a CDBG-DR assisted activity

The grantee/subrecipient's may also charge to its CDBG-DR grant the pre-application costs of homeowners, businesses, and other qualifying entities for eligible costs they have incurred in response to the events covered by the disaster declaration with these conditions:

- May only charge the costs for rehabilitation, demolition, and reconstruction of single family, multifamily, and nonresidential buildings, including commercial properties, owned by private individuals and entities and incurred before the owner applies to the State or the State's sub-recipient for CDBG-DR assistance
- For rehabilitation and reconstruction costs, grantee, subgrantee or the Sub-recipient may only charge costs for activities completed within the same footprint of the damaged structure, sidewalk, driveway, parking lot, or other developed area
- Costs must be adequately documented
- The grantee, subgrantee or the Sub-recipient must complete a duplication of benefits check before providing assistance
- The grantee, subgrantee and the Sub-recipient must ensure that the expenses are necessary expenses of recovery
- Expense eligibility date begins on the date of the disaster
- Expenses can only be reimbursed if the individual or entity incurred the expenses within one year after the date of the disaster and before the date on which they applied for CDBG-DR assistance, but a waiver of the one-year term may be granted by HUD on a case-by-case basis

9.3 Pre-Award Procedure for CDBG-DR

CDBG-DR Pre-Award Eligibility Procedure	
Responsible Party	Tasks
Subgrantee and Subrecipient	All

The subgrantee will review sub-recipient grant applications that include costs already incurred in the application budget for eligibility using the requirements in the federal regulations. Approval of reimbursement will be subject to the federal regulations.

Grant awards approved after review for eligibility will include provisions for compliance with this policy. Reimbursements will follow procedures for all reimbursement requests and require review and approval.

Approval of pre-application costs of homeowners, businesses, and other qualifying entities for eligible costs incurred in response to the events of October 8, 2016, as per the definition in F.R. FR5989-N-01 (*prior notice*) and Notice: CPD-15-07, will be reviewed for eligibility according to the requirements of federal regulations by the subrecipient and subgrantee.

Procedures of programs meeting these criteria will address procedures for approval and reimbursement, including but not limited to performance of a duplication of benefits determination prior to providing assistance.

9.4 Bonding and Insurance

Regulatory/Statutory Citations: 2 CFR 200.304

HUD has the authority to include a provision on bonding, insurance, or both if they determine that existing coverage and requirements are insufficient to protect the Federal Government's interests. The grantee and subgrantees and subrecipients maintain fidelity bond coverage for their employees. The subgrantee and subrecipients are required to ensure that adequate bonding and insurance covers contactors and construction contracts.

The subgrantee and subrecipients shall ensure that any contractor engaged in work funded with CDBG-DR provides proof that it has procured all insurance required by law including Worker's Compensation Insurance and Disability Benefits Insurance, and that it has procured other insurance in sufficient amounts from companies that may lawfully issue the policy, including Commercial General Liability Insurance and Commercial Automobile Insurance. **All contracts shall state that the contractor shall provide the grantee with a copy of any required policy upon demand for such a policy. The insurance must name the subgrantee or subrecipient as additional insured and/or loss payee, as appropriate.**

For **construction or facility improvement** performed by the subgrantee and subrecipients shall cause its construction contractors to, at a minimum comply with the bonding requirements under 2 CFR 200.310 (Insurance Coverage) and 2 CFR 200.326 (Contract Provisions), as applicable. The awarding agency or pass-through entity may accept the bonding policy and requirements of the contractor provided that the Federal awarding agency or pass-through entity has made a determination that the Federal interest is adequately protected. If such a determination has not been made, the minimum requirements are:

- A bid guarantee from each bidder equivalent to 5 percent of the bid price. The "bid guarantee" must be a firm commitment in the form of a bid bond, certified check, or other negotiable instrument as assurance that the bidder is prepared to execute a contract within the time specified for the bid amount.
- A performance bond from the (sub)contractor for 100 percent of the contract price to secure the (sub)contractors' fulfillment of all obligations under the contract.
- A payment bond from the (sub)contractor for 100 percent of the contract price to assure payment of all persons supplying labor and materials under the contract.

10 Financial Reporting

Regulatory/Statutory Citations: 2 CFR 200.327

Federal Funding Accountability and Transparency Act Procedure	
Responsible Party	Task
Accounting Clerk (ACC)	All
Accounting Technician	QA/QC of Report
Subrecipients/Subcontractors	Report information into CCR System; provide reports to DOC for compliance

The grantee must file a FFATA sub-award report for all CDBG-DR first-tier sub-grants valued at \$25,000 or more. Sub-award information and executive compensation data must be reported. Reporting must be submitted by the end of the month following the month the State or the subgrantee or subrecipient makes the award.

10.1 FFATA Overview

The Federal Funding Accountability and Act (FFATA) of 2006 mandates specific reporting requirements for recipients of federal funds. subrecipient are able to access the requirements for reporting and to enter information at www.fsrs.gov. Grants Administration is required by FFATA to submit information to the Office of Management and Budget (OMB) through an electronic Sub Award Reporting System (FSRS) on all grant awards greater than \$25,000 which are awarded on or after October 1, 2010. In order to report in this system, each sub award recipient is required to register in the Central Contractor Registration (CCR) system. The CCR is a government-wide registry for organizations that do business with the federal government.

10.1.1 Policy: Federal Funding Accountability and Transparency Act of 2006 (FFATA)

CCR registration will be required prior to submission of a CDBG-DR application. Once obtained, the CCR registration must be updated or renewed at least once a year. REDD staff will monitor for compliance with this requirement.

For all CDBG-DR grants equal to or greater than \$25,000 awarded after October 1, 2010, the recipient must register with the Central Contractor Registration (CCR) system. The CCR system may be accessed online at <http://www.ccr.gov>. FSRS guidelines may be downloaded at <https://www.fsrs.gov/>.

All CDBG-DR subrecipient's are required to submit submission documentation showing that FFATA has been entered into the FSRS system quarterly. DOC will only enter information into the FSRS system for grants directly awarded by DOC. Subrecipient's are fully responsible for designating required personnel in order to submit information into the FSRS system for any grants and or contracts that the subrecipient may issue. DOC staff will monitor for compliance with this requirement. Subrecipients are required to have FFATA procedures as part of their standard operating procedures.

Failure to register with the CCR and or provide the required quarterly reports will result in non-compliance findings from DOC as well as potentially resulting in grant funds being place on restriction until all reporting is received.

10.2 Policy: Federal Financial Reporting

Overview Federal Financial Report	
Responsible Party	Task
Accounting Clerk (ACC)	All
Business Officer	Approval
CDBG Director	Submits Approved FFR to HUD Field Office

10.3 Policy: Federal Financial Report

The grantee reports federal cash management information by filing Federal Financial Report: Standard Form 425 (SF-425). Only information relevant to cash on hand and program income must be reported.

10.4 Procedure: Federal Financial Report

Downloads

The ACC downloads the Federal Financial Report at www.whitehouse.gov/sites/default/files/omb/assets/grants_forms/SF-425.pdf. The ACC completes lines 10a-10c (Cash on Hand) and lines 10l-10o (Program Income) and forwards the report to the Business Officer; the Business Officer either approves the Report or requires corrections. The procedure is

repeated until the Business Officer approves the Report. The CDBG Director submits the Federal Financial Report to HUD Field Office. All reports will be uploaded in the approved system of record by the subrecipients and the grantee.

10.5 CDBG-DR Project Invoice File and Checklist Requirements

Overview of Invoice File Requirements Procedure	
Responsible Party	Task
Subgrantee/subrecipient Staff	Receives invoice and checklist
Subgrantee/subrecipient Staff	Reviews checklists and invoices, approves or denies invoice.
Subgrantee/subrecipient Staff	Reviews, approves or denies invoice; uploads invoice and documentation to server file folder.
Subgrantee/subrecipient Staff	Reviews, approves or denies invoice based on applicable compliance requirements.
Subgrantee/subrecipient Staff	Reviews invoice and documentation, approves or denies invoice. If approved, invoice with documentation is uploaded into the System of Record.
DOC Policy Review	DOC staff will complete the compliance review of the information submitted in the system of record. If approved it moves to the DOC Fiscal for review.
Business Officer or Designee	Reviews, approves or denies invoice. If approved it moves to the Accounting Clerk for processing. If denied, denial is issued in the system of record with rationale for denial.
Accounting Clerk (ACC)	Processes invoice for payment. Once processed for payment, information is packaged for the Processing Assistant.
Processing Assistant (PA)	File: Invoice, back-up, evidence of the approval of payment including the chain of approvals required; documented payment to Vendor; and DRGR Voucher Number.

10.6 Policy: CDBG-DR Project Invoice File and Checklist

The Project Invoice File and Checklist Requirements for CDBG-DR are designed to reflect the requirements of HUD in monitoring files. The subgrantee is responsible for maintaining and uploading all invoice files to the grants management system of record for CDBG-DR at least once monthly.

10.7 Procedure: CDBG-DR Project Invoice File Requirements

The Business Officer receives and reviews the request for reimbursement from the subgrantee or the subrecipient. The Business Officer either approves or denies the request.

If the request is approved the Business Officer forwards the request, checklist and documentation to the Accounting Clerk for Processing. If the reimbursement is denied or requires additional documentation the Business Officer notifies the subgrantee or subrecipient and the request is put on hold until all documentation is received. Once the reimbursement is approved the Accounting Clerk prepares the reimbursement request for payment.

After the reimbursement request(s) has been prepared for payment the Accounting Clerk draws the funds from the activity line item within the DRGR System. The Accounting Clerk prepares the cash disbursement code sheet for transmittal to the Commerce Fiscal Accounts Payable Representative for processing in the North Carolina Accounting System (NCAS).

The DRGR Voucher is approved by the CDBG Director and returned to the Accounting Clerk for filing with the reimbursement request packet. The Fiscal Section issues payment to the subgrantee or subrecipient. The Accounting Technician generates an Account Detail Transaction Report and verifies the transaction(s). Upon completion, the Accounting Clerk records the transaction(s) in the CDBG-DR Financial Tracking Report; the weekly reimbursement process is completed.

11 Procurement

Regulatory/Statutory Citations: Section 104 of the Act, 2 CFR 200.320

If the State's CDBG-DR funds are used to pay for a product or service in whole or in part, the procurement procedures in this chapter must apply. All procurements, regardless of dollar amount, must be conducted to provide open and free competition. **Before** entering into any agreements to purchase equipment or materials, or professional services, compliance must be verified with the federal procurement requirements. See **Exhibit 1-8** Federal Regulations and North Carolina Procurement Crosswalk as a guide to fully understanding the required federal regulations.

Before buying goods and services with CDBG-DR funds, to assist in recovery efforts, the grantee, subgrantee and Subrecipients should keep in mind:

- Uses of funds must respond to need, the grantee, subgrantee or Subrecipients must first identify and document a need for goods and services before undertaking procurement. It needs to be made clear the connection between disaster relief, recovery and related investments in housing, infrastructure and those made to businesses in support of the local economy.

11.1 Price and Cost Analysis

The grantee, subgrantee and subrecipient should also conduct a price and/or cost analysis to make sure that costs are reasonable and necessary. Therefore, the Federal guidelines in 2 CFR Part 200 must be followed to ensure full and open competition.

Written system of contract administration

Grantees must have a system of contract administration in place, which will be based upon the management of federal funds but may reflect additional state and local laws and regulations.

Is there a list of prequalified contractors/vendors?

Preferably, grantees have created these lists prior to any CDBG-DR appropriation to accelerate procurement. The grantee should open the list again when the grantee has notice of CDBG-DR

appropriations to allow additional qualified vendors to join the list. Even with such a list, the non-Federal entity must accept proposals from qualified bidders not listed.

Disaster Recovery Reporting

Grantees report CDBG-DR funds through the Disaster Recovery Grant Reporting (DRGR) system, which is different from the Information Disbursement Information System (IDIS) used to manage regular CDBG funds. HUD grantees should have staff trained on DRGR prior to managing CDBG-DR funds.

Federal Appropriations

The Federal government awards CDBG-DR funds through congressional appropriations.

In addition to setting award amounts, those appropriations impose additional requirements or conditions on awardees using CDBG-DR funds. Grantees and subrecipients receiving CDBG-DR funds should review and understand the relevant appropriations to make sure they understand any additional requirements, including any procurement-related waivers or alternative requirements established by HUD in a Federal Register Notice.

11.2 General Procurement Standards

Overview of Purchase Procurement Procedure	
Responsible Party	Task
Subrecipient/subgrantee	All contract/procurement standards are reviewed within the system of record.
Subrecipient/subgrantee	Prior to any invoicing for contracts, internal review is required to be completed by the Contracts/Procurement Specialist to ensure invoicing aligns with approved scope of work.
Subrecipient/subgrantee	After approval of invoicing, Contracts/ Procurement Specialist will complete review within the system of record. Information is forwarded to subrecipient/subgrantee Fiscal Review.

11.3 Full and Open Competition

All procurement transactions should be conducted in a manner that provides full and open competition. Bids must be solicited by mail, e-mail, posting to the rebuild.nc.gov website, public notices in large circulation daily newspapers, large regional papers, and/or special trade publications.

Procurement procedures will avoid any provisions that would restrict or eliminate competition. Some of the situations considered to be restrictive of competition include:

- Placing unreasonable requirements on firms for them to qualify.
- Requiring unnecessary experience and excessive bonding.
- Specifying a “brand name” product instead of allowing an equal product to be offered; and
- Any arbitrary action in the procurement process.

11.4 Contracting with Small, Women-owned, and/or Minority-owned Firms

The State will take affirmative steps to ensure that Section 3, women-owned, and/or minority-owned firms are given a fair chance to participate in the procurement; including:

- Make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small businesses, minority-owned firms, and women's business enterprises;
- Consider in the contract process whether firms competing for larger contracts intend to subcontract with small businesses, minority-owned firms, and women's business enterprises;
- Encourage contracting with consortiums of small businesses, minority-owned firms, and women's business enterprises when a contract is too large for one of these firms to handle individually; and
- Use the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Department of Commerce's Minority Business Development Agency in the solicitation and utilization of small businesses, minority-owned firms, and women's business enterprises.

2 CFR 200.323(a). A Cost or Price Analysis is required when procuring goods and services with federal funds with every procurement action in excess of the Simplified Acquisition Threshold including contract modifications. An independent cost analysis consists of evaluating the separate elements (such as labor, materials, etc.) that make up a contractor's total cost proposal to determine whether they are allowable, directly related to the requirement, and reasonable. The independent analysis can be done by the subgrantee or subrecipient or by third party consultants, or by the examination of existing price lists and product catalogs, but it is not on bids received. The analysis is done prior to receipt of bids or review of proposals.

12 Preparing a Request for Proposals (RFP) or a Request for Qualifications (RFQ)

An RFP or RFQ is a written competitive announcement that invites Contractors and Vendors to compete for the provision of services 2 CFR 200.320(d)(1)(2)(3)(4)(5). Competitive bids must include price as a factor, with one exception, in the evaluation of Proposals. The grantee may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated, and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The RFQ must indicate that consideration for awards will not be based solely on price but may consider other critical factors. All other competitive proposals must be forwarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.

The RFP should include

- The name of the State;
- A brief description of the project including location, purpose, time frame, and present status;
- The entire project scope;
- The time frame for performing the work, including any major milestones or deadlines involved;
- Concise language, containing all the important information needed for the firms to respond in a factual manner;

- A description of any unique problems involved in the project and any previous studies that would be available for bidders' reviews;
- A general description of the scope of the services to be provided by the consultant;
- A demonstration of the consultant's knowledge and experience using details of how they would approach the problem and the alternatives that should be considered;
- The amount budgeted for the proposed scope of service; knowledge of the available budget will help the consultant to fit the proposal to the financial resources available;
- The method of payment to be used;
- Information required of each respondent in order to make the selection, including consultant qualifications, related experience on similar projects, current and projected workloads, capability to meet time and budget requirements, references and the identity of and qualifications of professional personnel to be assigned to the project;
- A list of prior clients should always be requested, including their name, description of the work performed, address, and the name and phone number of a person to contact. A list of their most recent projects should also be required;
- All required federal compliance requirements such as Section 3 and all applicable federal, state and local requirements.
- The methods and criteria to be used in evaluating the proposals, and the relative weight of each of the criteria
- The name and telephone number of a local person who can be contacted for further information regarding the RFP; and
- Directions for submitting a response to the RFP. The directions for submitting the RFP should specify the date and time of the submittal deadline and the number of copies required. Since proposals are sometimes hand-delivered, an office address where someone will be available to accept them should be included.

12.1 Soliciting Proposals

RFPs and RFQs should be advertised at least twice in the local newspaper used for legal notifications. This does not mean that the entire text of the RFP must be included in a legal advertisement, but that the advertisement should briefly announce that the State is requesting proposals and that a copy of the detailed RFP is available at a given website location or upon request. RFPS and RFQS should also be advertised in accordance to the subrecipient approved Section 3 Plan. RFPS and RFQs must be posted on the subrecipient transparency website.

Copies of the RFP may be sent to firms that have previously indicated an interest in submitting a proposal. Bidders should be given at least four weeks to respond. Federal regulations regarding outreach to Section 3 and MW/BE/SBE business should be utilized.

12.2 Procurement Reviews

An evaluation committee of three to five people will be established to review the responses to the Sealed Bid or RFP/RFQ ("bid responses"). Members of the evaluation committee will be familiar with the solicitation and the work to be accomplished through the contract.

The analysis of lease and purchase alternatives must be undertaken to determine which would be the most economical and practical procurement. The evaluation committee should use no more than 45 days between the proposal deadline, evaluation of the proposals, and the final selection of the Vendor.

The evaluation committee will interview more than one of the firms that submitted bid responses before making a selection in order to demonstrate that adequate competition took place. The evaluation committee may interview the finalists separately. Standard questions will be asked during the interview to allow comparison of the bid responses. The same questions should be asked of each firm.

A record of the scoring or evaluation of proposals made under any form of procurement procedure must be maintained, including;

- A record of the basis for contractor selection;
- A record of the basis for award (e.g., best value, price, or technical superiority).
- A written justification for lack of competition when competitive bids or offers are not obtained; including:
 - Evidence of outreach and solicitation; and
 - A statement of barriers to free and open competition encountered (e.g., limited pool of contractors)
- After ranking the responses in order of their scores on the evaluation factors, the committee will make their recommendation to the State.
- The subrecipient will check the references of the Contractor/Vendor(s); documentation to be maintained in salesforce.
- The subrecipient is required to check for debarment by the State or Federal government; the subgrantee and the State will audit records.
- The subgrantee or subrecipient letting the bid will notify the winning bidder and all other bidders of the result.

12.3 Awards

Awards shall be made to the bidder whose bid or offer is responsive to the solicitation and is most advantageous to the State, with price, quality, and other factors considered.

The subgrantee or subrecipient will enter into contracts only with responsible contractors who possess the ability to perform successfully under the terms and conditions of the proposed procurement.

12.4 Contract Negotiation

Negotiation with the selected bidder will include the scope of services, timetable, contract cost, and payment terms. The State requires those key individuals who are identified in the firm's proposal be utilized for the specific tasks the individuals were tied to. Only identified key individuals are permitted to charge their time and expenses to the job. Clerical and support staff whose costs were not specified in the consultant's original proposal may not charge their time and expenses to the job.

All commitments stated in the contract must be honored unless changes are approved in writing.

12.5 Methods of Procurement

One of the following methods is deemed appropriate based upon need and the nature of the services required. (See Decision Tree Graph 5.33)

12.5.1 Purchase

For securing services and supplies that do not cost more than \$4,999 in the aggregate.

A minimum of two qualified sources shall be solicited by phone or e-mail. The State shall accept the lowest qualified quotation.

12.5.2 Small Purchase

For securing services and supplies that cost between \$5,000 and \$49,999 in the aggregate.

A minimum of three qualified sources shall provide written quotations. The State or the subgrantee or the subrecipient shall accept the lowest qualified quotation.

12.6 Procurement by Sealed Bid

Overview of Sealed Bid Procurement Procedure	
Responsible Party	Task
CDBG-DR Contractor	Determine the specification needed, evaluative criteria required, and the evaluation team
Director CDBG (D-CDBG) or Recovery Section Chief (RSC)	Approves specification
CDBG-DR Contractor	Prepares sealed bid from template
Director(D-CDBG) or Recovery Section Chief (RSC)	Review and approval of Sealed Bid Package
Purchasing Agent (PA)	Opens solicitation, closes bidding, logs and opens bids
Administrative Assistant (CDBG-AA)	Schedules Evaluation
Evaluation Team	Evaluates Proposals, Awards Contract
Director CDBG (D-CDBG) or Recovery Section Chief (RSC)	Notifies Vendor

Bids are publicly solicited, and a firm fixed-price contract is awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is the lowest price. The sealed bid method is the preferred method for procuring construction services when the following conditions exist:

- A complete, adequate, and realistic specification or purchase description is available;
- Three or more responsible suppliers are willing and able to compete effectively for the business;
- The procurement lends itself to a firm fixed-price contract (a specified price to be paid when the items or services are delivered); and
- Selection of the successful bidder can appropriately be made principally on the basis of price.

12.7 Procurement by Competitive Proposal

Overview of Competitive Proposals Procurement Procedure	
Responsible Party	Task
CDBG-DR Contractor	Determine the specification needed, evaluative criteria required, and the evaluation team
Director CDBG (D-CDBG) or Recovery Section Chief (RSC)	Approves specification
CDBG-DR Contractor	Prepares RFP or RFQ from template
Director CDBG (D-CDBG) or Recovery Section Chief (RSC)	Review and approval of RFP or RFQ Package
Purchasing Agent (PA)	Opens solicitation, closes bidding, logs and opens bids
Administrative Assistant (CDBG-AA)	Schedules Evaluation
Evaluation Team	Evaluates Proposals, Awards Contract
Director CDBG (D-CDBG) or Recovery Section Chief (RSC)	Notifies Vendor

This method of procurement is generally used when conditions are not appropriate for the use of sealed bids. The method for soliciting competitive proposals is the publication of a Request for Proposal (RFP) or the publication of a Request for Qualifications (RFQ). A RFQ is the appropriate procurement procedure for retaining professional services.

When only one response is received from a competitive solicitation:

- The procurement process will be reviewed to determine whether it was unduly restrictive or tailored to a particular contractor or supplier;
- The staff requesting the procurement must demonstrate that a reasonable effort has been made to assure maximum open and free competition and that its procurement procedures did not have the effect of unnecessarily restricting competition.

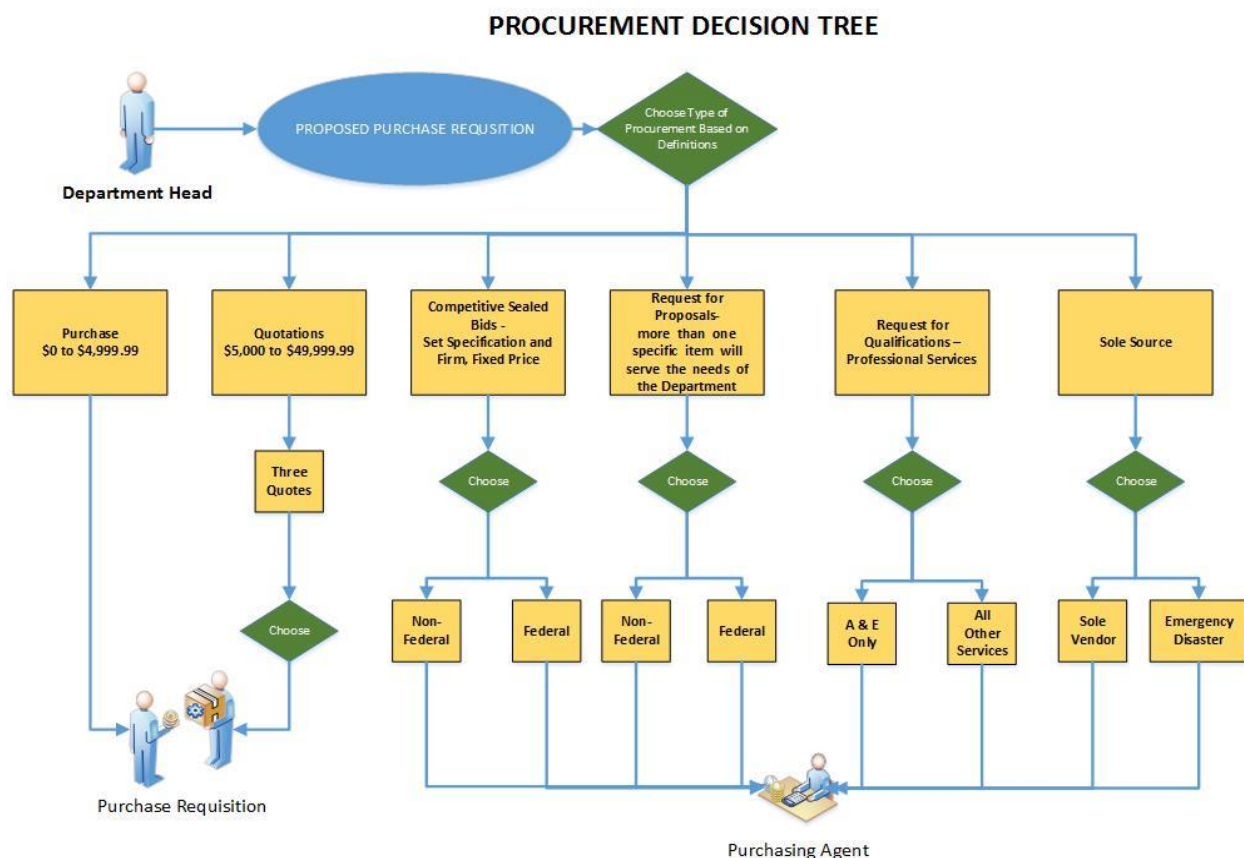
12.8 Procurement By Non-Competitive Proposal

Overview of Noncompetitive Proposals Procurement Procedure	
Responsible Party	Task
CDBG-DR Contractor	Determines noncompetitive proposal eligibility and recommends to Director CDBG (D-CDBG) or Recovery Section Chief (RSC)
CDBG-DR Contractor	Prepares memo to Director CDBG (D-CDBG); Section Chief CDBG (SC CDBG); Recovery Section Chief (RSC)
Director CDBG (D-CDBG) or Recovery Section Chief (RSC)	Approves or denies noncompetitive proposal eligibility
Director CDBG (D-CDBG) or Recovery Section Chief (RSC)	Approves or denies noncompetitive proposal
Administrative Assistant (AA)	Files approval and notifies CDBG-Director or Section Chief
Director CDBG (D-CDBG) or Recovery Section Chief (RSC)	Notifies Vendor

This is procurement through solicitation of a proposal from only one source or, after solicitation of a number of sources, competition is determined to be inadequate. Such procurements may be used only when the award of a contract is unfeasible under small purchase procedures, sealed bids, or competitive proposals, and one of the following circumstances applies:

- The items or services required are only available from a single source;
- After solicitation from a number of sources, competition is determined to be inadequate, and the grantee, or subgrantee or subrecipient authorizes the noncompetitive method; or
- A public emergency exists such that the urgency will not permit a delay beyond the time needed to employ one of the other authorized procurement methods;
- Single source procurement shall be limited to a one-year contract.

12.9 Graph: Procurement Decision Tree



12.10 Procurement Procedures

12.10.1 Small Purchase Procurement Procedure: Up to \$4,999.99

Overview of Small Purchase Procurement Procedure	
Responsible Party	Task
CDBG-DR Contractor	Scope or product description approval
CDBG-DR Contractor	All Others

The CDBG-DR contractor will obtain at least two competitive telephone or written quotes. The CDBG-AA will record the rate or quote received along with other identifying information (name, address, and telephone numbers) and document the questions asked. When price quotations are obtained orally, written supportive documentation, such as detailed notes describing telephone contacts (who, what, when, etc.), must be maintained in the files.

12.10.2 Small Purchase Procurement Procedure: From \$5,000 to \$49,999.99

At the direction of the CDBG Director or Recovery Section Chief, the CDBG-DR Contractor will prepare a scope of work or product description. The CDBG-DR Recovery Section Chief and or designee will obtain at least three competitive written quotations. The CDBG-DR Recovery Chief and or Designee will record the rate or quote received from each vendor along with other identifying information (name, address,

and telephone numbers). The CDBG-DR Recovery Section Chief forwards a summary of the quotes to the NC-DOC for review prior to approving the cost for the product and or scope of work.

The CDBG-Director or Recovery Section Chief awards the contract to the lowest qualified bidder.

12.10.3 Sealed Bid Procurement

The CDBG-DR Contractor determine the specifications needed and the evaluative criteria required, and the evaluation team. The CDBG-DR Contractor obtains the specifications from applicable State staff or from an outside consultant. The CDBG-DR Contractor forwards the specifications and evaluative criteria to the CDBG-Director and Recovery Section Chief.

The CDBG-DR Contractor prepares the sealed bid package by using the current template. The CDBG-AA circulates a final draft to the CDBG-Director or Recovery Section Chief. The CDBG-Director or Recovery Section Chief review and either approve or provide guidance on changes needed. The CDBG-AA forwards the Sealed Bid Package to the Compliance and Procurement Officer (CPO) for execution.

At the appointed day and time, the Purchasing Agent (PA) opens and logs the sealed bids, after which:

- The PA forwards the bids to the CPO;
- The CPO forwards the bids to the CDBG-Director or Recovery Section Chief;
- The CDBG-Director or Recovery Section Chief forwards the bids to the evaluative team and schedules an evaluation team meeting;
- The evaluation team determines the award.

12.10.4 Competitive Proposals Procurement

The CDBG-DR Contractor determines the specification needed; the evaluative criteria required, and the evaluation team. The CDBG-DR Contractor obtains the specification from applicable State staff or from an outside consultant. After which:

- The CDBG-DR Contractor forwards the specification and evaluative criteria to the CDBG-Director or Section Chief;
- The CDBG-DR Contractor prepares the competitive bid package by using the current template;
- The CDBG-AA circulates a final draft to the CDBG-Director or Recovery Section Chief;
- The CDBG-Director or Recovery Section Chief review and either approve or provide guidance on changes needed;
- The CPO forwards the competitive bid package to the State Purchasing Agent (PA) for execution;
- At the appointed day and time, the PA opens and logs the sealed bids;
- The PA forwards the bids to the CPO;
- The CPO forwards the bids to the CDBG-Director or Recovery Section Chief;
- The CDBG-AA forwards the bids to the evaluative team and schedules an evaluation team meeting;
- The evaluation team determines the award

12.10.5 Noncompetitive Proposals Procurement

The CDBG-DR Contractor obtains the specification from the CDBG-Director or Recovery Section Chief or from an outside consultant. At the direction of the CDBG-Director or Recovery Section Chief, the CDBG-DR Contractor prepares a scope of work or product description.

The CDBG-DR Contractor determines:

- That the scope or product is only available from a single source; or
- That after an attempt using competitive methods of procurement, competition is determined to be inadequate; or
- That a federal disaster declaration establishes a public emergency; or
- A public emergency exists such that the urgency will not permit a delay beyond the time needed to employ one of the other authorized procurement methods;

The CDBG-DR Contractor forwards the determination to the CDBG-Director or Recovery Section Chief.

The CDBG-DR Contractor prepares a Memo to the CDBG-Director or Recovery Section Chief outlining the reasons a determination has been made that the proposal meets at least one of the four (4) requirements noted above.

The CDBG-Director or Recovery Section Chief review and approve the Memo and forwards to the AA.

If the Memo is not approved, the CDBG-Director or Recovery Section Chief returns the Memo to the CDBG-DR Contractor and the procedure repeats until the CDBG-Director or Recovery Section Chief approves.

The CDBG-Director or Recovery Section Chief either approves or denies the request for noncompetitive proposal.

If the CDBG-Director or Recovery Section Chief does not approve, the procedure is complete.

If the CDBG-Director or Recovery Section Chief approves, the CDBG-Director signs and returns the Memo to the Recovery Section Chief applicable.

The CDBG-Director or Recovery Section Chief notifies the Vendor.

The CDBG-AA files the Memo.

13 Escrow

If a Homeowner has a Duplication of Benefit (DOB), they are required to deposit an amount equal to the DOB plus any applicable cap reduction in a State escrow account prior to entering into a Construction Contract for rehabilitation or reconstruction. This Standard Operating Procedure (SOP) describes the process for handling the deposit of Homeowner escrow funds.

13.1 Escrow Procedure

The North Carolina Division of Emergency Management (NCEM) or subrecipient agency will determine if the Homeowner has met the eligibility criteria to participate in the North Carolina Housing Recovery Program. At this stage, if a Homeowner has been identified as having a DOB as prescribed by the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121-5207, as amended), the DOB will have been calculated in accordance with the Department of Housing and Urban Development's Federal Register notice [FR-5582-N-01], Clarification of Duplication of Benefits Requirements Under the Stafford Act for Community Development Block Grant Disaster Recovery (CDBG-DR) Grantees. The North Carolina Department of Commerce (DOC) will review DOB submissions from NCEM for compliance and report any discrepancies to NCEM for their follow-up.

An award letter will be generated by NCEM for the Homeowner. Upon receipt, the Homeowner has 5 days to schedule a closing appointment. The award letter also notifies the Homeowner that they have 30 days to exercise their right to appeal the award. The award letter contains an explanation of DOB, clearly states the amount of funds that the Homeowner will need to put into the escrow account through a certified check presented at closing, and instructs the Homeowner to make the check payable to the North Carolina Department of Commerce. **NOTE:** For Homeowners who elect to electronically submit their documents, please refer to the DocuSign section at the end of this SOP.

A closing date and time is set by the vendor after acceptance of an offer. If legal assistance has been requested by the homeowner, Legal Aid is notified by NCEM to assist the Homeowner. The vendor will remind the homeowner of the amount of the escrow payment and the payment method required at the closing. The homeowner has several options for the closing process; the closing can occur in person, at a regional intake center or at the homeowner's current residence, or the closing can be done over the phone, with signatures obtained online via DocuSign. At an in-person closing, the vendor or a CDS/State employee is required to be present. If the homeowner requests legal representation at the closing, a Legal Aid attorney will be present.

NCEM will provide DOC a list of scheduled closings by date. DOC will track closings against incoming escrow checks sent to the Department.

13.2 Procedure for Closing that Occur at an Intake Center

The homeowner will be required to sign an Escrow Agreement at the closing:

The certified check is taken by the CDS/State employee or vendor and logged into a daily log. The homeowner is required to sign and date the log. The CDS/State employee or vendor is also required to sign and date the log. Certified checks that have been logged by the CDS/State employee or vendor are copied **TWICE**, and the CDS/State employee or vendor places the original check and one photocopied check inside the on-site safe at the intake center.

A photocopy of the certified check is given to the homeowner for their records. All certified checks will remain in the on-site safe until the final closing of the day.

All closing documents, which include the escrow agreement and the daily log, are required to be photocopied **TWICE**. Original and photocopied closing documents are kept together with the original and copied certified check in the safe. A photocopy of the escrow agreement is given to homeowner for their records.

After the final scheduled closing of the day, all photocopied closing documents and **ORIGINAL certified checks** are to be placed into a pre-paid overnight FedEx envelope and overnighted to DOC. The envelopes are addressed to DOC. Send all pre-paid envelopes to:

Department of Commerce
CDBG-DR Program
Attn: Toni Moore or Joy Peebles
4th Floor – Office 400E or Cube 4064
301 N. Wilmington Street
Raleigh, NC 27699-4346

NCEM will maintain the **ORIGINAL closing documentation** and a COPY of the certified checks. The vendor will physically return these documents to NCEM.

NCEM will maintain the **ORIGINAL closing documentation** and a COPY of the certified checks. The vendor will physically return these documents to NCEM.

To summarize:

NCEM	DOC (mailed)	Homeowner
Closing Docs (originals)	Closing Docs (copy)	Closing Docs (copy)
Escrow Check (copy)	Escrow Check (original)	Escrow Check (copy)
Daily Log (original)	Daily Log (copy)	Daily Log (copy)

13.3 Procedure for Closing that Occur at the Homeowners Residence

For closings that occur at the homeowner's residence, the certified check is taken by the vendor or CDS/State employee, along with the signed escrow agreement, and placed in a pre-paid overnight FedEx envelope and overnighted to DOC. **NOTE:** if the Vendor or CDS/State employee has the ability, photocopies should be made of both the certified check and the escrow agreement and should be presented to homeowner at that time. If not, copies will be provided to the homeowner by EM at a later date. Envelopes that are unaddressed should use the address listed above.

In all cases: No check should be accepted that is a different amount from the escrow amount stated in the award letter. All closing documents should be uploaded to Salesforce by the CDS / State Employee or Vendor. Closing documents are accessed on Salesforce by opening the application in question and clicking: > *Awards Tab* > *Closings Tab* > *Documents Storage*.

Department of Commerce has 24 hours or by the next business day from receipt of FedEx package to complete the deposit of receipted funds. Department of Commerce will use the North Carolina Accounting System (NCAS) to generate a detailed report of the deposit and provide the report to NCEM for its records. NCEM will track all closing information in Salesforce.

In case of issues at the time of closing:

Demara Millon (919) 909-0795 dmillon@teamttitlellc.com

Jody Vadrine (919) 909-1612 jodyv@teamttitlellc.com

13.4 The Use of DocuSign

Homeowners may elect to use DocuSign to sign their closing documents. These homeowners will receive instructions on how to sign their escrow agreement and submit their certified check required. See **Exhibit 1-5** for DocuSign Procedure for more a more detailed outline of the DocuSign procedure.

13.5 Mailing Checks via FedEx Envelopes

Prepaid FedEx envelopes addressed to the Department of Commerce will be available at intake centers in stacks of 10. When five envelopes are left at the center, DOC should be notified immediately to provide additional envelopes.

Individuals who elect to use DocuSign may contact DOC ahead of scheduled closings to receive prepaid FedEx envelopes. Requests for prepaid envelopes should be sent to: joy.peebles@nccommerce.com or you may contact DOC at (919) 814-4674.

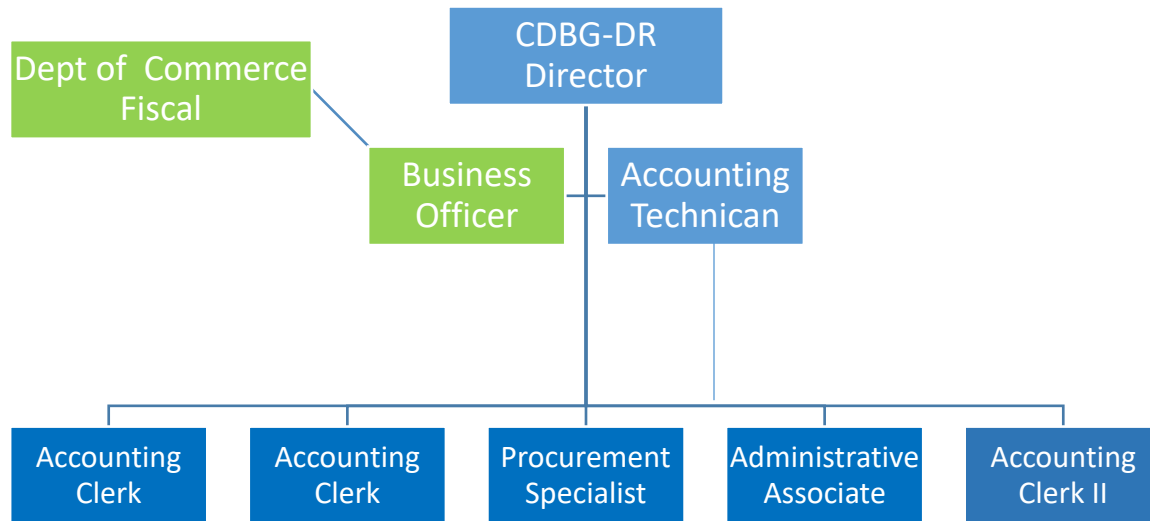
13.6 Homeowner Withdrawal from Program


The homeowner has until a Notice to Proceed (NTP) is issued to the contractor to withdraw from the Program. If the homeowner decides to withdraw, they must complete the Request to Withdraw form, and submit it to NCEM. NCEM will confirm the NTP has not been executed. NCEM will sign the Request to Withdraw form and submit it to DOC for signature. DOC will return the escrow funds and provide a check to the homeowner.

The signed Request to Withdraw form and a copy of the check will be documented by NCEM in the system of record. **See Exhibit 1-6** for Voluntary Withdrawal Request Form.

13.7 Exhibits

- Exhibit 1-1** Department of Commerce Finance Organizational Chart
- Exhibit 1-2** Position Job Descriptions
- Exhibit 1-3** Requisition Processing Calendar
- Exhibit 1-4** CDBG-DR Draw Requisition Form
- Exhibit 1-5** DocuSign Procedures
- Exhibit 1-6** Applicant Withdrawal Form
- Exhibit 1-7** Chain of Custody Escrow Funds for Account ID form
- Exhibit 1-8** Federal Regulation and North Carolina Procurement Crosswalk

Exhibit 1-1 Department of Commerce Finance Organization Chart

 Department of Commerce Fiscal Office provides access to the North Carolina Accounting Technician.


 Denotes a direct report to the Business Officer but a functional report to the Accounting Technician.

Exhibit 1-2 – Position Job Descriptions**Business Officer**

Class Concept: Position provides daily programmatic leadership, is a member of the management team, reviews procurement activity and operating budgets, and coaches and counsels staff/external personnel at an office or facility. Positions in this class resolve problems and questions presented by subordinate supervisors or managers department wide regarding work processes, policies, organization or methods. Positions manage highly complex personnel issues such as employee selection, salary recommendation, employee orientation, performance review, and disciplinary/grievance actions. Positions also assist with policy development, interpretation, and planning, which includes the development, review and modification of procedures impact the office, and provide status reports as needed. They also assess operational needs with regard to automation, telecommunication, and facility management and communicate with a wide variety of internal staff and external agencies, ensures procedures are followed, and usually supervises administrative, business, clerical, and/or technical staff.

Knowledge, Skills, and Abilities

- Thorough knowledge of program(s).
- Thorough knowledge of fiscal/budgetary theories and methodology.
- Thorough knowledge of Federal/State policies.
- Considerable knowledge of office procedures, organizational hierarchy and quality assurance to assure adherence to set procedures and guidelines.
- Considerable knowledge of HR practices.
- Ability to develop written documents and reports and cater information to the sophistication of the audience.
- Ability to supervise staff and make changes to workload distribution as necessary.
- Ability to direct and manage staff.
- Ability to manage routine to precedent setting issues.
- Ability to provide strategic planning assistance to management. Minimum Education and

Minimum Education and Experience

Bachelor's degree in accounting, business, finance or other discipline related to the area of assignment from an appropriately accredited institution and three years of progressive related experience, two years of which should be in a supervisory role, or an equivalent combination of training and experience.

Accounting Technician

Class Concept: This is para-professional level accounting work in an agency or institution. Positions in this job will be responsible for auditing, analyzing, processing, and managing the disbursement of funds for such items as travel expenses and advances. Positions will receive the daily cash report and deposit slip of monies deposited and is responsible for verifying said reports for accuracy, creating deposit recap for funds to be entered into a Cash management system, creating/ keying the journal voucher to the correct account/center so funds can be entered into NCAS. Additional duties could include educational reimbursement claims, extradition reimbursements, manual checks, and employee moving expenses.

Knowledge, Skills, and Abilities

- Considerable knowledge of office or work unit procedures, methods and practices.

- Considerable knowledge of and ability to use correct grammar, vocabulary, spelling, proofreading and office terminology to compose and/or proofread correspondence, reports and materials.
- Considerable knowledge of accounting procedures, applicable mathematics and their application in the work environment.
- Skill in communicating effectively both orally and in writing.
- Ability to record, compile, summarize and analyze data.
- Ability to review and process information to determine conclusions, actions or compliance with applicable laws, rules or regulations.
- Ability to analyze work situations and interpret program content in making decisions and explaining policies, regulations and programs.
- Ability to exercise judgment, discretion and negotiation skills in problem situations.
- Ability to learn, interpret and explain policies, regulations and programs.
- Ability to independently respond to inquiries and coordinate a variety of resources in acquiring and disseminating information.
- Ability to train and manage a group of employees

Minimum Education and Experience

High school or General Education Development Diploma (GED) and three (3) years of experience; or an equivalent combination of education and experience.

Accounting Clerk

Class Concept: This is para-professional level accounting work in an agency or institution. Positions in this job provides accurate accounts payable and disbursement processing services for General Accounting invoices. The positions also process payments for direct and /or matching invoices to vendors, verifying payments, maintaining payment files, consulting with vendors and staff regarding accounts, reconciling payment data and troubleshooting problems with payments and accounts.

Knowledge, Skills, and Abilities

- Working knowledge of office or work unit procedures, methods and practices.
- Working knowledge of and ability to use correct grammar, vocabulary, and office terminology to compose and/or proofread correspondence, reports and other materials.
- Working knowledge of accounting procedures, mathematics and their application in the work environment.
- Ability to learn and independently apply laws and departmental rules and regulations covering programs and services.
- Ability to review and process information to determine conclusions, actions or compliance with applicable laws, rules or regulations.
- Ability to apply a variety of work-related formulas or mathematical calculations.
- Ability to record, compile, summarize and perform basic analysis of data.
- Ability to independently work with people with courtesy and tact in performing public contact duties that may be sensitive in nature.

Minimum Education and Experience

High school or General Education Development Diploma and two (2) years of experience; or an equivalent combination of education and experience.

Procurement Specialist

Class Concept: Work in this class involves responsibility for processing requisitions, purchase orders, and competitive bids for general and specialized commodity areas such as equipment, material and supplies.

Work in this classification involves preparing less complex commodity and simple service procurements under the department's delegation. Positions handle commodity procurement; prepare Request for Information, Request for Quote, and Request for Proposal and purchase from State Term Contract etc.

Employees confer with end users and vendors to obtain product information, such as price availability, and delivery schedule for equipment, material and supplies. Employees may assist in specification development and bid evaluations. Position requires communication with clients in the development of projects, planning or procurements and scheduling of procurement activities. Reviews requisitions below the formal bid threshold and determines appropriate supply source in adherence to procurement-related statutes, administrative codes and Purchasing Manual.

Knowledge, Skills, and Abilities

- Working knowledge of general procurement and purchasing procedures and regulations of the State of North Carolina.
- Working knowledge of the economics, market condition and methods of transportation, procurement and supply management.
- Ability to communicate in verbal and written form.

Minimum Education and Experience

- Bachelor's degree from an appropriately accredited institution, or
- Associates Degree in Business or related field of study from an appropriately accredited institution and two years of procurement experience, or equivalent combination of education and experience.
- Necessary Special Requirements
- Completion of the North Carolina Procurement Manual Training Program within one year of hire.

Administrative Associate

Class Concept: Positions in this class are characterized by their performance of a variety of administrative, clerical, and office support duties. Positions require knowledge of the office or work unit policies and procedures in order to communicate information involving programs, functions, and services. Duties performed may include preparation of documents and reports, composition of memos and letters, the use of office technology, compiling records, organizing and maintaining files, posting information, greeting, referring, assisting visitors, clients, staff, and others, mail distribution, and photocopying. Positions may serve as the primary staff assistant to a department or program manager. Positions may serve as an office coordinator for a work unit.

Within the Department of Transportation, positions in this class may perform of a variety of programmatic responsibilities such as title examining work, oversize/overweight transportation permit approval, heavy equipment program management, Title VI and Title VII program work. Positions require knowledge of the work unit policies and procedures as well as state and federal general statutes in order to communicate information involving programs, functions, and services.

Knowledge, Skills, and Abilities

- Working knowledge of program services, policies and procedures.
- Ability to demonstrate and apply this knowledge in performance of office support tasks.
- Ability to explain and interpret program information to clients/customers and staff.
- Working knowledge of data collection and storage to compile, assimilate, and organize printed and electronic information.
- Working knowledge of and ability to use correct spelling, punctuation and specialized vocabulary.
- Ability to convey information and ideas through a variety of media to individuals or groups; ability to adjust language or terminology to meet needs of the recipient(s).
- Ability to present ideas in written form; ability to adjust language or terminology to meet needs of the recipient(s); ability to use correct grammar, organization, and structure.
- Ability to utilize office equipment and other technology (software and systems) to meet work needs.
- Ability to facilitate the flow of work and coordinate office support activities with other staff; ability to maintain internal and external contacts for work coordination.
- Ability to understand issues, identify problems and opportunities to determine the appropriate course of action.

Minimum Education and Experience

High school or General Educational Development (GED) diploma and one year of administrative experience; or an equivalent combination of education and experience.

Exhibit 1-3 Requisition Processing Calendar

Note: Receipt of payment occurs within three business days of listed payment date.

****Dates may be affected by holidays. Please see latest calendar from DOC Fiscal Office.**

Deadline for Requisitions**	Payment Process Date**
July 5, 2018	July 12, 2018
July 12, 2018	July 19, 2018
July 19, 2018	July 26, 2018
July 26, 2018	August 2, 2018
August 2, 2018	August 9, 2018
August 9, 2018	August 16, 2018
August 16, 2018	August 23, 2018
August 23, 2018	August 30, 2018
August 30, 2018	September 6, 2018
September 6, 2018	September 13, 2018
September 13, 2018	September 20, 2018
September 20, 2018	September 27, 2018
September 27, 2018	October 4, 2018
October 4, 2018	October 11, 2018
October 11, 2018	October 18, 2018
October 18, 2018	October 25, 2018
October 25, 2018	November 1, 2018
November 1, 2018	November 8, 2018
November 8, 2018	November 15, 2018
November 15, 2018	November 22, 2018
November 22, 2018	November 29, 2018
November 29, 2018	December 6, 2018
December 6, 2018	December 13, 2018
December 13, 2018	December 20, 2018
December 20, 2018	December 27, 2018
December 27, 2018	January 3, 2019
January 3, 2019	January 10, 2019
January 10, 2019	January 17, 2019
January 17, 2019	January 24, 2019
January 24, 2019	January 31, 2019
January 31, 2019	February 7, 2019
February 7, 2019	February 14, 2019
February 14, 2019	February 21, 2019
February 21, 2019	February 28, 2019
February 28, 2019	March 7, 2019
March 7, 2019	March 14, 2019
March 14, 2019	March 21, 2019
March 21, 2019	March 28, 2019

Deadline for Requisitions**	Payment Process Date**
March 28, 2019	April 4, 2019
April 4, 2019	April 11, 2019
April 11, 2019	April 18, 2019
April 18, 2019	April 25, 2019
April 25, 2019	May 2, 2019
May 2, 2019	May 9, 2019
May 9, 2019	May 16, 2019
May 16, 2019	May 23, 2019
May 23, 2019	May 30, 2019
May 30, 2019	June 6, 2019
June 6, 2019	June 13, 2019
June 13, 2019	June 20, 2019
June 20, 2019	June 27, 2019
June 27, 2019	July 4, 2019

Exhibit 1-4 CDBG DR Draw Request Form**Department of Commerce
CDBG-DR Draw Request**Grantee Name
Grantee AddressContract Number
Draw Request Number
DateSubrecipient Number
Subrecipient Name
Subrecipient Address

DUNS Number

Project Name	CDBG-DR Eligible Activity Name	DRGR Activity Number	Budget Amount	Amount Previously Invoiced	Available Balance	Amount of this Invoice	Balance After Invoice
Homeowners			\$ -	\$ -	\$ -	\$ -	\$ -
			-	-	-	-	-
			-	-	-	-	-
			-	-	-	-	-
Total Homeowners			\$ -	\$ -	\$ -	\$ -	\$ -
Small Rental			\$ -	\$ -	\$ -	\$ -	\$ -
			-	-	-	-	-
			-	-	-	-	-
			-	-	-	-	-
Total Small Rental			\$ -	\$ -	\$ -	\$ -	\$ -
Multi-Family			\$ -	\$ -	\$ -	\$ -	\$ -
			-	-	-	-	-
			-	-	-	-	-
			-	-	-	-	-
Total Multi-Family			\$ -	\$ -	\$ -	\$ -	\$ -
Elevation/Buyout			\$ -	\$ -	\$ -	\$ -	\$ -
			-	-	-	-	-
			-	-	-	-	-
			-	-	-	-	-
Total Elevation/Buyout			\$ -	\$ -	\$ -	\$ -	\$ -

**Department of Commerce
CDBG-DR Draw Request**

Public Housing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-
	-	-	-	-	-	-
Total Public Housing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supportive Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-
	-	-	-	-	-	-
Total Supportive Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Planning and Capacity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-
	-	-	-	-	-	-
Total Planning and Capacity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Small Business Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-
	-	-	-	-	-	-
Total Small Business Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Community Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-
	-	-	-	-	-	-
Total Community Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-
Grand Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

I certify that this request for federal funds has been prepared in accordance with the terms and conditions of the contract, and that the contract, and that the amount requested is for eligible expenditures as per the federal, state and local regulations cited in the contract. I also certify that all the data reported above is correct and that the amount of the request for federal funds is not in excess of current needs.

Authorized Signature (1)	Authorized Signature (2)	Date
Title	Title	

Exhibit 1-5 DocuSign Procedures

Once an Award Letter has been accepted by an applicant, the file is ready to close and the closing process begins. The closing agent, Team Title, identifies files that are ready to close in Salesforce when “Accept” is in the Award Response field.

1. Upon identifying a file that is ready to close, Team Title assigns the file to a Closing Processor and the Closing Processor initiates a phone call to the Applicant using the phone number the Applicant provided to the Program.
2. During the call, the Closing Processor:
 - a) verifies Applicant name, damaged property address and email address;
 - b) explains DocuSign process to Applicant and verifies Applicant consent to use DocuSign;
 - c) sends encrypted Closing Package via DocuSign, and at option of Applicant, remains on phone call while Applicant completes Closing Package.
3. DocuSign Process for Applicant:
 - a) Applicant opens DocuSign document from Applicant email address;
 - b) Applicant reads Introductory Letter and checks box agreeing to use DocuSign/electronic signature to complete Closing Package

Please Review & Act on These Documents



Albert Campani
Team Title, LLC

Customize the email body message here...

Please read the [Electronic Record and Signature Disclosure](#).

☐ I agree to use electronic records and signatures.

CONTINUE

OTHER ACTIONS ▾

- c) Applicant reviews documents, then creates/adopts an electronic signature and signs each signature line by clicking the appropriate flags in the document (“Required – Sign Here”);
 - d) Once all documents have been signed Applicant selects “Finish” and DocuSign automatically generates a summary page showing:
 - (i) Email address Closing Package sent to, IP address of receiving computer, date and time Applicant agreed to use electronic signature
 - (ii) IP address of receiving computer, date and time Applicant created/adopted electronic signature
 - (iii) IP address of receiving computer, date and time Applicant completed all electronic signatures
 - (iv) Relevant notices regarding electronic signatures pursuant to § 66-327(c)(2) (including right to paper copies and ability to withdraw consent)
 - e) DocuSign automatically emails copy of completed Closing Package to Applicant at verified email address.
4. Closing Processor uploads executed Closing Package to Salesforce and marks the file closed;



5. Post-Closing Report is sent to Commerce to begin disbursement process.

Record Tracking

Status: Original 12/4/2018 3:27:33 PM	Holder: Albert Campani acampani@rhhclaw.com	Location: DocuSign
--	--	--------------------

Signer Events

Cody Perilloux
cperilloux@teamtellellc.com

Security Level:

Request Recipient Token.Password
ID: e1bd2019-3051-476d-a31f-2d2ec00a5de2
12/4/2018 6:27:38 PM

Signature

DocuSigned by:

2F5DE4B77408403...

Signature Adoption: Pre-selected Style
Using IP Address: 99.44.199.106

Timestamp

Sent: 12/4/2018 3:27:33 PM
Viewed: 12/4/2018 3:30:30 PM
Signed: 12/4/2018 3:33:05 PM

Electronic Record and Signature Disclosure:

Accepted: 12/4/2018 3:30:30 PM
ID: 17ea57e5-2628-4fb9-84dd-21c912f5ed66

Exhibit 1-6 Applicant Withdrawal Form



NORTH CAROLINA

COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY

VOLUNTARY WITHDRAWAL REQUEST FORM

THIS FORM SHOULD BE COMPLETED BY A PROPERTY OWNER WHO WISHES TO
WITHDRAW THEIR APPLICATION FROM THE NORTH CAROLINA
COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY
PROGRAM

Applicant Name: _____

Application Number: _____

Damaged Property Address: _____

You have indicated that you wish to withdraw your application from the Community Development Block Grant Disaster Recovery Program.

Please indicate a reason below:

- I have completed my repairs, reconstruction, and/or respective needs of my damaged property
I am no longer in need of disaster recovery assistance
- I do not think that Community Development Block Grant Disaster Recovery Program will provide the type of assistance that I need
I do not want to sign the paperwork necessary to receive assistance
- I no longer own my Hurricane Matthew damaged property
I do not intend to own my property or rent to eligible tenants for the required five (5) year compliance period
- Other, please explain: _____

To formally withdraw your application, all owners of the property must sign below.

I hereby declare my intent to withdraw my application from the Community Development Block Grant Disaster Recovery Program. I understand that I will not be eligible to receive any assistance from the Program upon withdrawal. I also understand that withdrawal does not preclude me from re-entering the Program if the Program remains open and is accepting applications.

Name of Owner

Signature

Date

Name of Co-Applicant

Signature

Date

V. 1. 08.13.18





A ReBuild NC Homeowner Assistance Program (RNCHP) Applicant may elect to voluntarily withdraw from the program at any point prior to grant execution (closing). These procedures are written to document the required protocols to be followed to withdraw an Applicant from the program. However, withdrawal from the process does not preclude the Applicant from re-entering the program if the program remains open and is accepting applications. As the program progresses, application deadlines will be identified by North Carolina Emergency Management (NCEM) at which time Applicants would be informed that if they miss this deadline they would not be able to re-enter the program after withdrawal from the program.

If an Applicant chooses to voluntarily withdraw from the RNCHP, the Case Management (Intake Specialist) team will follow the protocol below:

If the Applicant requests to withdraw from the Program, the Intake Specialist will check to see if any funds have been disbursed to the applicant

If the applicant has signed and executed a grant agreement and funds were disbursed to the Applicant, the Applicant would need to explain and provide to NCEM in writing why they wished to withdraw from the program. The Applicant would also need to agree to accept the repayment guidance for any funds previously received, in addition to following the steps below.

If funds were not disbursed and the Applicant was still progressing through the 8-step process and had not signed and executed a grant agreement, the Applicant would follow the steps below.

Provide the Voluntary Withdrawal Request Form to Applicant for a brief explanation of the withdrawal and a signature

Once the Voluntary Withdrawal Request Form is signed and completed by the Applicant, scan and upload the document to the Applicant's file on Salesforce

The original Voluntary Withdrawal Request Form should be given to the Applicant for their own records

In Salesforce, move the application into "Withdrawn" under the 8-Step Process category on the top right corner of the application AND move the application to an "Inactive" status under the Application Status and identify "Withdrawal" under the Inactive Reasons category

Complete the Inactive Reasons section with notes regarding why the Applicant requests to withdraw their application and document that the above processes are completed

V.2 11.6.18

CONFIDENTIAL •

Exhibit 1-7 Escrow Chain of Custody

**CHAIN OF CUSTODY
ESCROW FUNDS FOR
ACCOUNT ID:**

The undersigned representatives of Team Title, LLC and IEM acknowledge receipt of the escrow funds required by the ReBuild NC Program in connection with the closing and funding of the application associated with the above referenced Program Application Number. Both parties acknowledge that the chain of custody of the referenced escrow funds is set forth below:

Check #: _____

Amount: _____

Issue Date: _____

Received from the homeowner by _____ on the _____ day of _____, 2019.

Acknowledged:

Sign: _____

Print: _____

Custody of escrow funds passed to _____ on the _____ day of _____, 2019.

Acknowledged:

Sign: _____

Print: _____

Custody of escrow funds passed to _____ on the _____ day of _____, 2019.

Acknowledged:

Sign: _____

Print: _____

Exhibit 1-8 Federal Regulation and North Carolina Procurement Crosswalk

Federal Citation	Short Title	North Carolina Administrative Code & North Carolina, Department of Administration Procurement Requirements	
		Requirements	Short Title
2 CFR 200.318(a)	General Documented Procurement Standards	Section 1 – Procurement – Procurement Manual	Procurement
2 CFR 200.318(b)	Contractor Oversight	State of North Carolina, Contract Administration & Monitoring Guide, http://www.pandc.nc.gov , Pg. 5	Contractor Administrator Responsibilities
2 CFR 200.318(c)	Conflict of Interest Provisions	Pg. 115, R.1.7 – Procurement Manual, Executive Order 24	Gifts to State Employees
2 CFR 200.318(i)	Maintain Records Detailing History of Procurement	Pg. 92, Section 7.5 – Procurement Manual	Record Retention
2 CFR 200.319	Competition	Pg. 67, Section 5.5 – Procurement Manual	Competitive Negotiation
2 CFR 200.320	Methods of Procurement to be Followed	Pg. 10, Section 1.1, Pg. 14, Section 1.3, Pg. 47, Section 3.3 – Procurement Manual	Consideration in Determining Appropriate Procurement Method, Procurement Methods, Determining the Solicitation Method
2 CFR 200.321	Contracting with M/WBE	Pg. 58, Section 4.4.4, Pg. 107, R.1.1 – Procurement Manual	General State Requirements, Executive Order, HUB Status
2 CFR 200.323	Contract Cost and Price Checklist	Adherence to 2 CFR 200.323 will be achieved through each agency using the “Federal Procurement Requirements” (document attached)	Federal Procurement Requirements
2 CFR 200.324	Federal Awarding Agency or Pass-Through Entity Review	Adherence to 2 CFR 200.324 will be achieved through execution of implementation of HUD Grant Agreement	HUD Grant Agreement
2 CFR 200.325	Bonding Requirements	Pg. 58, Section 4.4.6 – Procurement Manual	Insurance Coverage
2 CFR 200.326	Federal Contract Provisions	Pg. 27, Section 1.3.15 – Procurement Manual and “Federal Procurement Requirements (Document Attached)	Federal Grants, Federal Procurement Requirements